

COMPLIANCE DEPARTMENT

**TÜRKİYE HALK BANKASI A.Ş.**  
COMPLIANCE POLICY ON  
ANTI-MONEY LAUNDERING AND  
COMBATING THE FINANCING OF  
TERRORISM

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## A. INTRODUCTION

Türkiye Halk Bankası A.Ş. acts in full compliance with the national and international laws and other legal regulations in respect of Anti-Money Laundering & Countering the Financing of Terrorism (AML/CFT), Countering the Proliferation of Weapons of Mass Destruction (WMD), prevention of bribing and corruption as well as Sanctions Programs, considering the damage caused by these efforts in social life, within the framework of social responsibility and attaches great importance to this struggle.

## B. TANIMLAR

**Auditor:** Tax Inspectors, Treasury and Finance Specialists employed at FIU of Türkiye (MASAK), Customs and Trade Inspectors, Sworn-in Bank Auditors, Treasury Comptrollers, Insurance Supervisory Experts and Actuaries, Banking Regulation and Supervision Agency Experts, Capital Markets Board Experts and the Central Bank Auditors and Experts who will carry out audits and investigations within the scope of the Prevention of Laundering Proceeds of Crime legislation.

**Asset:** Any kind of movable or immovable, tangible or intangible goods or rights which have monetary value, and any kind of legal documents or instruments certifying rights on them.

**Beneficial Owner:** Beneficial owner means natural person(s) who carry out a transaction within an obliged party or who ultimately own(s) or control(s) natural persons, legal persons or unincorporated organizations on whose behalf a transaction is conducted within an obliged party.

**Compliance Officer:** The officer who is employed for the purpose of ensuring the compliance with obligations established through the Law No. 5549 on Prevention of Laundering Proceeds of Crime or the legislation issued on the basis of the Law and who is entrusted with the required authority.

**Customer Profile:** Entire information (profile) consisting of information such as occupation, commercial activities, business background, financial status, source of funds, preferred banking products and services of customer who conducts transactions at the Bank.

**Deputy Compliance Officer:** The officer to whom the compliance officer may delegate his/her duties and responsibilities entirely or partially by a clear statement in writing, who is meeting the requirements and qualifications for being a Compliance Officer, and assigned exclusively as the personnel of the institution by Board of Directors or authorized Board Members to report to the Compliance Officer.

**Executive Management:** The General Manager and Deputy General Managers of the Bank, the Managers of units working under Internal Systems, as well as managers of units other than consultancy units carrying out duties in a position that is equivalent to, or higher than deputy general manager position in terms of authorities and duties, even if they are employed with other titles.

**Financial Institution:** Banks, organizations authorized to issue deposit or credit cards out of banks, authorized firms specified in the exchange legislation, finance and factoring companies, capital market intermediary institutions and portfolio management companies, payment or electronic money organizations, insurance, reinsurance and pension funds and insurance and reinsurance brokers, leasing companies, organizations to ensure clearing and maintenance based on the capital market legislation, Post and Telegraph Organization A.Ş. limited with banking activities.

**Freezing of Assets:** Removal or restriction of the power of disposition over the asset for the purpose of preventing obliteration, consumption, conversion, transfer, assignation, conveyance and other dispositional actions of the asset.

**Fund:** Money or property, right, claims of every kind whether movable or immovable, tangible or intangible which could be represented by money and all kinds of documents representing them.

**Group:** Türkiye Halk Bankası A.Ş. with its domestic and foreign subsidiaries which are affiliated with the same financial group and are operating as separate legal entities.

**International Sanctions:** Decisions and regulations issued by international authorities (UN, US, EU, UK) regarding the countries, individuals, organizations or vessels due to reasons such as laundering proceeds of crime, terrorist activities or anti-democratic practices.

**Money Laundering (ML):** Refers to all kinds of transactions carried out in order to introduce illicit proceeds into the economic system by disguising their origins to leave the impression of that they are obtained in a legitimate way.

**Nested Account Activities:** The use of a bank's correspondent relationship by a number of underlying banks or financial institutions through their relationships with the correspondent bank's direct customer.

**Payable-Through Accounts:** The type of account that is opened in a financial institution located in Türkiye within the scope of correspondent relationship by a financial institution located abroad, and that enables customers of the foreign financial institution to make direct transactions.

**Permanent Business Relationship:** A business relationship that is established between obliged parties and their customers through services such as opening an account, lending loan, issuing credit cards, safe-deposit boxes, financing, factoring or financial leasing, life insurance and individual pension, and that is permanent due to its characteristics.

**Politically Exposed Persons (PEPs):** Senior natural persons entrusted with prominent public functions domestically or in a foreign country by election or appointment, and members of the executive board and senior management of international organizations and individuals entrusted with equivalent functions in such organizations.

**Risk:** The possibility of financial loss or loss of dignity among our bank or employees due to use of services for the purpose of ML/FT or not complying completely with the obligations established through the Law or Regulations and Communiqués issued in accordance with the Law.

**Financing of Terrorism (FT):** Providing or collecting funds for a terrorist or terrorist organizations, even without being associated with a certain act, knowingly and willingly that it will be used in whole or in part for the commission of terrorist crimes.

**Financing of the Proliferation of Mass Destruction Weapons:** Activities for the financing of transfer and exportation of nuclear, chemical and biological weapons causing mass deaths compared to conventional weapons, huge property losses and environmental and health problems for many years.

**Wire Transfer:** Any transaction carried out on behalf of an originator through a financial institution by electronic means with a view to making an amount of funds available to a beneficiary person at a beneficiary financial institution.

## C. ABBREVIATIONS

Mentioned in this policy;

**AML/CFT:** Anti-money laundering and combating financing of terrorism (financing of proliferation of weapons of mass destruction, crimes such as bribery/corruption are also covered)

**Bank Compliance Policy:** T. Halk Bankası A.Ş. Compliance Policy Directives on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism

**EU:** European Union

**FATF:** Financial Action Task Force

**Group Compliance Policy:** T. Halk Bankası A.Ş. Compliance Policy Directives on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism

**MASAK:** Financial Crimes Investigation Board

**OFAC:** US Treasury Department Office of Foreign Assets Control

**OFSI:** Office of Financial Sanctions Implementation

**RoM:** Regulations on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism

**UK:** United Kingdom of Great Britain and Northern Ireland

**UN:** United Nations

**US:** United States

## D. OBJECTIVE AND SCOPE

The Bank Compliance Policy aims the following;

- Protection of the national and international reputation of our Bank by ensuring the compliance with the legal obligations and international sanction rules regarding money laundering, financing of terrorism/proliferation of weapons of mass destruction and prevention of bribery and corruption,
- Creating strategies to reduce the risk that may be exposed by evaluating customers, transactions and services with a risk-based approach,
- Determining internal controls and measures, operating rules and responsibilities, and increase awareness of our Bank's employees on these issues.

The standards set forth in this policy (together with the standards in Group Compliance Policy) include the minimum requirements set by the applicable legislation, aim to protect our Bank, its employees and customers from being abused in terms of ML/FT.

Our Bank Compliance Policy is binding for all domestic and foreign branches, Head Office departments, representative offices, other offices and service units as well as other similar units such as agencies and commercial representatives provided that it complies with the national legislation of the relevant country.

## E. DUTIES AND RESPONSIBILITIES

Bank's Board of Directors is ultimately responsible for ensuring the fulfilment of Bank's obligations regarding AML/CFT within the scope of the Law No.5549 on the Prevention of Laundering Proceeds of Crime.

Effective handling of the compliance program is performed by considering the three lines of defense. The units and departments which undertake risks and make decision are placed in the first line. Units and departments in this line are responsible for proper system development, process management and implementation of these systems and processes in accordance with policies and procedures established by the Compliance Department. The Group Internal Systems is placed in the second line of defense, within the framework of assigned duties and responsibilities. The Compliance Department within the Group Internal Systems is responsible for establishing policies and procedures with a risk-based approach, managing the ML/FT risks that the Bank may be exposed to, conducting monitoring and control activities and coordinating training activities. The third line of defense is the internal audit activity that checks whether the first and second lines of defense are meeting the risk management and control objectives.

All of the Bank's employees in these defense lines are obliged to correctly and carefully fulfill all their duties and responsibilities to ensure that this Policy and other relevant administrative texts are effectively implemented and that the Bank is not exposed to risks related to financial crimes and sanctions.

## F. LEGAL BASIS

**The Law No. 5549 on Prevention of Laundering Proceeds of Crime, the Law No. 6415 on the Prevention of the Financing of Terrorism, the Law No. 7262 on Prevention of the Financing of the Proliferation of Mass Destruction Weapons** and the Regulations and Communiqués drawn up on the basis of these laws constitute the legal basis of our Bank's policy on AML/CFT. Besides national regulations published by MASAK in particular, our Bank also considers the recommendations, principles, standards and guidelines provided by international regulatory bodies and organizations, such as FATF, as long as they are not incompatible with the national regulations.

## G. COMPLIANCE PROGRAM

Halkbank established a compliance program, which includes measures for AML/CFT in order to comply with national legislation and international standards and to perform control activities in this context.

The compliance program covers the following measures:

- Assigning the Compliance Officer and Deputy Compliance Officer, and establishing the Compliance Department,
- Establishing Bank policies and procedures on AML/CFT, the drafting of sub-administrative texts for this purpose,
- Providing necessary information to the personnel in order to raise awareness about the Bank and Group policies,
- Carrying out risk management activities within scope of AML/CFT to define, rate, monitor, assess and reduce the risks, which the Bank may be exposed to
- Carrying out risk-based monitoring and controlling activities, convenient to the Bank's size of business enterprise, business volume and the nature of the transactions it conducts,
- Carrying out training activities within the scope of AML/CFT legislation
- Carrying out internal audit activities in order to ensure the implementation of Bank's AML/CFT policies and procedures established within the scope of the Compliance Program.

Our bank's compliance policies and procedures are submitted for the approval of the Board of Directors by reviewing at least once a year in the scope of legislative changes or in terms of a risk-based approach.

## H. RISK MANAGEMENT

The purpose of the risk management is to ensure that necessary measures are taken to identify, rate, assess, and reduce risks associated with money laundering and terrorist financing that the Bank may be exposed.

The Bank re-evaluates and updates the risk management policy by considering the recommendations, principles, standards and guidelines introduced by national legislation and international organizations based on evolving conditions. Activities performed in this context are regularly reported to the Board of Directors and the Audit Committee.

Risk management also comprises internal measures and process rules on customer identification and establishes a customer acceptance policy in order to comply with the “**Know Your Customer**” principle in national and international regulations on AML/CFT.

The principles on customer identification specified in the third chapter of the RoM are mentioned in the Implementation Directive on AML/CFT.

**Risk Areas:** Four risk areas are determined based on the risk-based approach: customer risk, product/ service risk, industry risk and country/region risk.

Abuse of our Bank by customer or persons acting on behalf of or for the account of customer for the purpose of money laundering or terrorist financing refers to **Customer Risk**.

Non-face-to-face transactions, cash transactions that are difficult to trace, new products to be offered using developing technologies involve **Product and Service Risk** due to their inherent ML/FT risk.

Some industries and business lines pose high ML/FT risks due to excessive use of cash, allowing to disguise the source of funds easily and difficulty to trace such funds, concealing activities’ true purposes, thus, customers operating in such high-risk industries constitute **Industry Risk**.

Countries that do not implement FATF recommendations or implement them incompletely and are therefore on FATF’s high-risk and increased monitoring lists, countries where comprehensive sanctions/embargoes etc. are imposed by the UN, EU, OFAC, OFSI and national authorities, countries and regions on drug production-distribution routes, countries and regions where crimes such as smuggling, terrorism, corruption and bribery are common, and tax havens/off-shore centers (off-shore) constitute **Country/Region Risk**.

**Risk Assessment:** Our Bank assesses customers, products/services, industries, and countries/regions that are in the scope of Bank’s business activities and rates them in the three risk categories listed below

- Prohibited / Unacceptable
- High Risk
- Standard Risk

Natural or legal persons listed in **the prohibited/unacceptable risk category** are not accepted as customers and transactions related with them are not executed. The transactions of current customers whose risk category turns to prohibited/unacceptable, are refused and the customer relationship termination process is initiated. The Bank does not offer products/services at this risk level and does not enter into business relations with countries/regions at this risk level.

Enhanced procedures are applied at the **high-risk** level.

Standard procedures are run for **standard-risk** customers and transactions.

## I. KNOW YOUR CUSTOMER

**Customer Identification and Verification:** Our Bank is obliged to know natural and legal persons in terms of social, financial and personal information. For this purpose, all necessary measures are taken to obtain all kinds of documents, especially regarding identity information and verify the accuracy of these documents. It is not considered sufficient to obtain the relevant documents once from customers with whom a continuous business relationship is established. Customers are monitored depending on their risk categories, their transactions are checked and changes are taken into consideration.

- Customer accounts have to be opened in the actual name-last name or title of the customer. A customer cannot be accepted under a different name, an anonymous name or a nickname.
- In cases where identification cannot be made or sufficient information cannot be obtained about the purpose of the business relationship; customer acceptance cannot be made and the requested transaction cannot be performed.
- Legal entities whose ownership structure is inexplicably complex and beneficial owner(s) cannot be identified are not accepted as customers.
- In the context of the necessity of customer relations to be based on mutual information exchange, trust and openness, individuals and entities that avoid filling in introductory information forms or provide misleading and unconfirmed information are not considered as customers.
- The names and surnames/titles of the customers are scanned from globally accepted PEPs lists. In the event of a match, necessary measures are taken against PEPs.
- Requests of third parties to open accounts on behalf of one or more persons (excluding those under guardianship and custody, or minors) are not fulfilled, unless the customer submits relevant legal documents explaining purpose and necessity of opening such an account.
- If any suspicion, information or documentation is figured out as a result of an assessment, suggesting that the assets of a person or entity are not legally acquired, then business relationship cannot be established with related parties, and assurances or guarantees of them cannot be accepted.
- If there are any doubts about the adequacy and accuracy of existing customer information or if the identification and verification procedure cannot be completed, the customer relationship is terminated.

**Definition of Beneficial Owner:** Natural person(s) performing transactions at the Bank, natural person on behalf of whom the transaction is conducted, natural person(s) who ultimately control(s) or own(s) legal entities or unincorporated organizations/sole proprietorships are defined as beneficial owners. Accordingly, the Bank takes the necessary measures to detect whether someone else is acting on behalf of someone else and to reveal the beneficial owner of the transaction.

In establishing a customer relationship with legal entities, the Bank identifies natural person partners of the legal entity with a share ratio of twenty-five percent or more for the identification of the beneficial owner(s).

In case it is suspected that the natural person shareholder of the legal entity holding a twenty-five percent or more shares is not the beneficial owner or if the natural person having shares in this percentage does not exist, necessary measures are taken to reveal the natural person(s) who ultimately control the legal entity. The natural person(s) identified are considered to be the beneficial owner. When the beneficial owner is not identified the natural person or persons who are in the highest executive positions registered in the trade registry are considered the beneficial owners.

Necessary measures are taken to detect the natural person or persons who ultimately control the unincorporated organizations. When the beneficial owners cannot be identified, natural person or persons who are in the highest executive positions are considered the beneficial owners.

**Transactions Requiring Special Attention:** The Bank pays special attention to complex and unusual large transactions and the ones which have no apparent reasonable legitimate and economic purpose, to take necessary measures in order to obtain adequate information on the purpose of the requested transaction, and to keep the information, documents and records.



**Monitoring The Customer Profile and The Transactions:** Bank monitors permanently the transactions conducted by the customers whether they are in compliance with the information regarding the customer's profession, commercial activities, business history, financial status, risk profile and source of funds within the scope of permanent business relationships and should keep up-to-date information, documents and records regarding the customer. In the event of confirming that the executed transactions are not compatible with the declared purpose of the business relationship and/or customer profile, then the business relationship is re-evaluated.

Accounts are constantly monitored whether they are used by the person who opened the account.

**Taking Measures Against Technological Risks:** Bank pays special attention to complex and unusually large transactions and transactions that do not have a reasonable legal and economic purpose in sight, and takes necessary measures to obtain sufficient information about the purpose of the requested transaction and to retain the information, documents and records obtained.

**Correspondent Relationship:** Bank applies enhanced procedures in establishing and maintaining relationship with correspondent banks. Banking relationships cannot be initiated with the shell banks or other banks serving for shell banks. In addition, payable through account and nested account services are not provided.

**Wire Transfers:** Necessary measures are taken to mitigate risks in wire transfers which enables the cross border or domestic transfer of risky funds. Mandatory information of the originator and receiver is included in the cross border and domestic wire transfer messages.

Reliable information and documents are obtained from relevant persons in cross border wire transfers related with risky countries and customers.

**Simplified Measures:** Simplified measures for customer identification and verification can be implemented based on the MASAK General Communique No.5.

**Enhanced Measures:** One or more of the measures can be applied for high-risk customers and transactions based on RoM, in order to mitigate risks.

## J. MONITORING AND CONTROL

It is essential to protect the Bank from ML/FT risks and to continuously monitor whether the Bank's activities are performed in accordance with the Law and the regulations and communiqués issued pursuant to the Law and the policies and procedures of the organization. Monitoring and control activities are performed with a risk-based approach considering the size and transaction volume of the Bank.

Compliance Department is responsible for monitoring activities for this purpose and keep the risk assessment updated. Compliance Department establishes a centralized monitoring and control system in order to find out ML/FT risks and suspicious activities. The banking transactions, particularly the ones related with high-risk customers or service/products, are monitored based on the specified criteria and scenarios.

Monitoring and control activities include at least;

- Monitoring and control high-risk customers and transactions,
- Monitoring and control transactions with risky countries,
- Monitoring and control complex and unusual transactions,
- Control whether the transactions that exceed a specified threshold amount are compatible with customer profiles using the sampling method,
- Monitoring and control multiple linked transactions that exceed the threshold amount for customer identification,

- Completing, updating mandatory information and documents that are subject to record retention and must be kept as hard copy or electronic image and completing mandatory information to be included in wire transfer messages,
- Monitoring transactions continuously whether they comply with the customer profile and source of funds,
- Controlling transactions which are carried out by using systems enabling to conduct non-face-to-face transactions,
- Risk-based controlling services that may become vulnerable to abuse in terms of newly introduced products and technological developments.
- Checking customers and transactions in sanctions lists or blacklists.

Compliance Department can claim all necessary information and documents from all departments at our Bank during the assessment process. Therefore, departments are obliged to present requested information and documents and provide convenience to Compliance Department and authorize them to have access.

## **K. SUSPICIOUS ACTIVITY REPORT**

In case of existence of any information, suspicion or reasonable grounds to suspect that the asset, which is subject to the transactions carried out or attempted to be carried out within or through the Bank, has been acquired through illegal ways or used for illegal purposes and is used, in this scope, for terrorist activities or by terrorist organizations, terrorists or those who finance terrorism, **suspicious activity report** about the person(s) who executed the transaction must be submitted to MASAK.

No one, including the parties to the transaction, shall be informed about the suspicious activity report filed, except for the examiners assigned to supervise obligations and for the courts during legal proceedings.

Pursuant to Article 10 of Law No. 5549, the Bank (as a legal entity) and its personnel complying with the obligation of reporting suspicious activity, cannot be held responsible judicially and criminally in any way.

## **L. INTERNAL AUDIT**

The purpose of internal audit is to provide assurance to the Board of Directors regarding efficiency and sufficiency of whole compliance program. The Bank ensures, annually and on a risk-based approach, examination and controlling of institutional policy and procedures, risk management, monitoring and controlling activities and whether the training activities are sufficient and efficient, sufficiency and efficiency of risk policy of the Bank, whether the transactions are carried out in compliance with Law and regulation and communiques issued in accordance with Law and Bank's policy and procedures.

Within the scope of internal audit activities;

- The deficiencies, mistakes and abuses determined as the result of internal audit, as well as the opinions and proposals for prevention of reappearance of them are reported to the Board of Directors.
- While determining the scope of control, the faults determined during the monitoring and controlling processes and the customers, services and transactions containing risk are included within the scope of control.
- While determining the units and transactions to be audited, it is ensured that units and transactions in quantity and quality that can represent all transactions carried out in the Bank are audited.

These activities are executed by Board of Inspectors. Information and statistics about internal audit are reported to MASAK annually.

## M. TRAINING

The purpose of the Bank's training policy related with AML/CFT, is ensuring compliance with obligations imposed by Law and the regulation and communiques issued in accordance with Law, creating an institution culture by increasing the sense of responsibility of staff on policy and procedures of institution and on risk-based approach and updating of staff information.

Bank carries out training activities in compliance with business size, business volumes and changing conditions for AML/CFT.

Our Bank's training policy involves training activity processes, personnel who is responsible for conducting activities, determining personnel and trainers to participate in, training of trainers and training methods. Our Bank's training policy is executed based on the annual training plans which are approved by the Board of Directors.

Training programs on AML/CFT are prepared by the Compliance Department in co-operation with the Halk Academy Department. The training program is conducted efficiently under supervision and coordination of the Compliance Officer.

Halk Academy Department plans and ensures that all newly-hired personnel receive AML/CFT training by specialized personnel on compliance of the Bank within a maximum of 6 months of the employment date. Training activities are repeated in certain periods in accordance with the size of the institution, business volumes and changing conditions, in a way to include legislative changes and/or according to the results of training measurement and evaluation. Trainings methods like the online trainings are used besides organizing seminars and panels for conducting training activities. Training result are recorded.

Compliance Department and Halk Academy Department determine a sufficient number of trainers on this issue and ensure that they possess required knowledge and proficiency. During the selection of trainers, priority is given to those who have attended the trainings organized by MASAK.

Compliance Department staff and trainers are encouraged to participate in domestic/international training and seminars in order to specialize in their fields. Information and statistics on trainings are reported to MASAK annually.

The Bank's training program at least covers the following subjects;

- Laundering proceeds of crime and terrorist financing,
- The stages, methods of laundering proceeds of crime and case studies on this subject,
- Legislation regarding prevention of laundering proceeds of crime and terrorist financing,
- Risk areas,
- Corporate policy and procedures,
- International regulations on combating laundering and financing of terrorism,
- Principles relating to customer identification and verification,
- Principles relating to suspicious activity reporting,
- Obligation of retaining and submitting,
- Obligations on providing information and documents,
- Sanctions to be implemented in violation of obligations.

## **N. PERIODIC REPORTING**

Based on Article 6 of the Law on Prevention of Laundering of Proceeds of Crime, our Bank is obligated to report the transactions, to which they are parties or intermediaries, exceeding the amount determined by MASAK.

The Ministry of Treasury and Finance shall determine the types of transactions within the scope of continuous disclosure of information, how and within what periods the information shall be provided, and other procedures and principles regarding the implementation. The Ministry may issue guidelines for sending notifications electronically and notifications shall be made in accordance with these guidelines.

The relevant Headquarter Departments are responsible for establishing and operating the necessary mechanisms to ensure that the reports requested by MASAK are made quickly and accurately.

## **O. PROVIDING INFORMATION AND DOCUMENTS**

All kinds of information, documents and records on all kinds of media, including microfilms, magnetic tapes, diskettes, CDs and similar media requested by MASAK or auditors, as well as all information and passwords required to access these records or to make them readable, must be provided in full and accurately in the requested manner, form and time without delay and the necessary facilities must be provided.

Without prejudice to the provisions on the right of defense, information and documents may not be withheld on the grounds of provisions written in special laws.

## **P. RETENTION AND SUBMISSION OBLIGATION**

Documents in all kinds of media that fall within the scope of the legislation on the Prevention of Laundering Proceeds of Crime;

- From the drawn up date,
- From the last entry in books and records,
- From the date of the last processing of identification documents,

Must be kept for ten years and must be submitted to the relevant authorities upon request by the competent authorities.

Documents and records related to internal notifications made to the Compliance Officer, suspicious activity notifications and their annexes, written justifications for suspicious activities for which the Compliance Officer has decided not to notify are also within the scope of the retention and submission obligation.

## **Q. FINANCIAL SANCTIONS**

Türkiye Halk Bankası A.Ş. (including its branches and representative offices abroad) acts in compliance with sanctions/embargo measures (international financial sanctions) imposed by UN, US, EU and UK, to the extent that they do not contradict the legal regulations of the governing country. In this context, persons, institutions and organizations published by the authorities listed below, which are completely prohibited from working or acting as an intermediary in their transactions, and persons and organizations owned or controlled by them or acting on their behalf are not accepted as customers. In the event that existing customers fall within this scope, the customer relationship is terminated immediately, without prejudice to national legal regulations.

- General Assembly of the United Nations Consolidated Sanctions List
- EU Consolidated Financial Sanctions List
- US – OFAC SDN List
- UK – OFSI Consolidated List

## **R. COMPLIANCE PROCESS AND RESPONSIBILITIES**

Türkiye Halk Bankası A.Ş. including all domestic and foreign branches;

- Constitute policies and procedures including necessary national and international regulations on AML/CFT considering Group Compliance Policy.
- Conduct all business and transactions in line with the regulations.
- Conduct internal policy and procedures in line with international obligations, the legislation, and provisions of the Group Compliance Policy and the Bank Compliance Policy.

Türkiye Halk Bankası A.Ş. set the convenient channels to enable personnel to report contradictions in line with “Code of Ethics” and “Anti-Corruption Policy” accepted by the Board of Directors. Furthermore, Bank takes necessary measures to protect the personnel making these notifications regarding the confidentiality of the whistleblower.

Reports on issues related with Group Compliance Policy and the Bank Compliance Policy are prepared and submitted by Compliance Department to the Audit Committee quarterly and at least once a year to the Board of Directors.

## **S. ENFORCEMENT**

(1) Compliance Policy Regulation was approved based on the Regulation of the Board of Directors No. 34/38 dated 19/09/2023 and enters into force on the date when it is accepted by the Board of Directors.

(2) The provisions of the Compliance Policy Regulation are executed by Compliance Department on behalf of the Board of Directors.

(3) Based on the approval of the Compliance Policy Regulation, the Compliance Policy No. 13/20 dated 27/04/2021, which was accepted with the consent of the Board Members who are responsible for the Compliance Policy, has been annihilated.